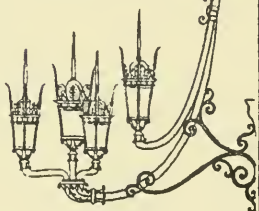


GOV DOC

BRA

227

BOSTON
PUBLIC
LIBRARY



IntroductionIRA
227

Jamaica Plain: Displacement Study

91 35 671

BOSTON PUBLIC LIBRARY

This report is the product of research carried out by seven graduate students: five from the Department of Urban Studies and Planning at MIT (Marc Draisén, Ruth Kolodney, Mosi Kitwana, Carol Spack and Patricia Thompson) and two from the Department of City and Regional Planning at Harvard (Bill Churchill and Mitchell Schwartz). The study was undertaken from February to June 1980.

Lang Keyes, Professor in the Department of Urban Studies and Planning at MIT and Associate at The Legal Services Institute supervised the work.

The client for the activity was the Executive Committee of the Jamaica Plain Coalition to Stop Displacement. The focus of the research agenda worked out between the Executive Committee and the Research group was four fold: (1) to document displacement by examining the case files of organizations dealing with tenants impacted by displacement; (2) to explore in detail the workings of the housing market in select sub-areas of Jamaica Plain; (3) to look at the role of various subsidy programs and their past history and future potential in dealing with displacement; and (4) to undertake a preliminary exploration of new or augmented policies to mitigate displacement of low and moderate income residents and housing units.

The bulk of the group's time and energy was focused on item (2) documenting what was happening in terms of buying and selling, owning and renting, in what we called "micro-neighborhoods". In this way, we tried to better understand, both in qualitative and quantitative terms, the extent of neighborhood change in these areas.

Given the two central goals of the coalition, (1) to maintain and expand housing opportunities for current neighborhood residents and (2) to guarantee the availability of decent housing in Jamaica Plain for low and moderate income persons, we analyzed the degree to which the workings of the private housing market in the micro-neighborhoods were moving in a direction contrary to these espoused goals.

Displacement is defined by the Coalition as "involuntary removal of neighborhood residents from their homes by economic, political and social forces outside their control." One aspect of our work was to try to document the extent to which there has been this kind of involuntary removal. The Coalition's definition of displacement takes the issue well beyond the image of the low income family being actively driven from a unit because of escalated rents or the machinations of the landlord to get that household out of a controlled rental unit in order to raise the rent to the market level through vacancy decontrol. The goals of the Coalition point to the issue of maintaining housing opportunities for low and moderate income people. This underlines a concern not only for families who are dispossessed but also for units which are removed from the stock of low and moderate income housing. That removal can come from unit reduction through condominium conversion, or neglect, as in the case of the hundreds of boarded up units at the Bromley Heath public housing project, or it can come from the ordinary working of the market which places upward pressure on rents because of increasing demand from more affluent households. A low income unit vacated through death or retirement of the elderly low income tenant can rapidly be filled by a tenant of a different income category. No

tenant has been displaced in the classic sense, but the unit is no longer available to the traditional working class, and even less to the low income household.

Much of our analysis of the micro-neighborhoods points more to this type of unit displacement rather than tenant displacement, i.e. the clear sense that rents are rising at a rate that makes the resulting prices simply outside the range of traditional Jamaica Plain households. While it is clear that Jamaica Plain is becoming an increasingly desirable and therefore increasingly expensive place in which to live, it is also important to point out that the rate of neighborhood change, as measured by the turnover of ownership is not happening at the accelerated pace perceived by some neighborhood workers and residents aware of specific displacement situations.

As indicated by the data in our three micro-neighborhoods, the rate of property turnover of one to four family houses is in all three instances above the city average of 5% - but with the exception of one, the Mozart area, no more than a percentage point or two above that annual average. Yet while turnover of buildings and thus of rental units is proceeding at a pace slower than many have believed, the rate is sufficiently rapid and the loss of low and moderate income units sufficiently serious that it already has and will continue to significantly decrease the housing opportunity for the low and moderate income residents of the neighborhood.

Throughout this report we talk in terms of low and moderate income housing. Our definition of a low income household is that used by the City of Boston in its Housing Improvement Program which uses

adjusted gross income to determine who is eligible for the maximum subsidy under the program. Those figures are as follows:

<u>Adjusted Gross Income</u> (less than)	<u>Households Size</u>
7,999	1
9,200	2
10,350	3
11,500	4
14,380	8

If a reasonable rental is 25% of income, these figures imply that the annual rental for a single person household should not be more than \$2000 (roughly \$170 a month), or \$3600 (\$300 a month) for a household of 8. These figures are approximate, but they give some indication of what we mean by low and moderate income households, and the level of rents that "ought" to be expended by those households. (We fully recognize that low income people spend on the average more than 25% of their income on rent.)

The report is organized into four sections. Part I looks at the findings of two organizations which are active in Jamaica Plain, City Life and Legal Services Institute, to determine the extent and character of their displacement caseload.

Part II examines in detail three Jamaica Plain neighborhoods: Sumner Hill, St. Rose and what we call the "Mozart Triangle", to better understand what has been happening there in terms of change of ownership and tenantry. Part III looks at the role that various public programs have played in dealing with the displacement issue. Finally, Part IV makes specific recommendations for future policy initiatives and research.

Part I: Displacement Experiences of Two Jamaica Plain Organizations:
City Life and Legal Services Institute

A. Displacement Experience of City Life

City Life is a non-profit city-wide housing organization providing support to tenants in tenant-landlord conflicts. The organization's office on Centre Street in Jamaica Plain is staffed by several permanent workers and additional unpaid volunteers.

According to City Life sees displacement occurring in Jamaica Plain as the result of two divergent trends. On one hand, the organization has documented substantial arson and landlord neglect in the Hyde Square and Egleston Square neighborhoods. On the other hand, it sees rising rents and condominium conversion in the more affluent neighborhoods (Sumner Hill, Beaufort-Lakeville) as contributing to the displacement of lower and moderate income people.

City Life states that its workers have received numerous phone calls from Jamaica Plain residents facing displacement due to both upgrading and disinvesting in residential property. City Life gathers information through the use of phone sheets on which comments are made concerning the problems of the callers. By no means all of the phone calls are concerned with displacement, and many calls are received from outside the city itself. There are approximately 500 sheets for 1979. The phone sheets provide City Life with its only source of aggregate data. No follow-up sheets are kept, making it difficult to follow up on data contained in the phone sheets.

The phone sheets list a person's name, address, the date of the complaint, the landlord's name, and the complaint itself. While the calls are varied, examples of complaints are:

219 Boylston St. - eviction from apartment
12/4/78

304 Lamartine St. - eviction
12/9/78

Beaufort-Lakeville - eviction because of high rent (\$340 - 1BR)
3/23/78

53 Custer St. - eviction, rent increase from \$150 to \$300
3/26/78

18 Pond St. - conversion to condominium

The calls come from all neighborhoods in Jamaica Plain. An examination of every phone sheet between December of 1977 through February of 1980, reveals about 40 "displacement related" calls, involving such matters as evictions, landlord harassment, huge rent increases, and condominium conversions.

The 40 phone sheets locate specific cases of displacement throughout Jamaica Plain and do not point to any one area as being a particularly heavy source of phone calls.

There is no indication that City Life has been besieged by phone calls, or that the rate of calls has been rising. On the other hand, the data does indicate that throughout the community, rising rents and evictions by new owners have been consistent problems for a number of households.

B. Displacement Experiences of Legal Services Institute

After studying approximately 65 housing cases in Legal Services Institute's (LSI) portfolio, we found that 20 (or 31%) of them stemmed from displacement related issues. A case was considered displacement-related if the issues involved coincided with the Coalition's definition of displacement: "the involuntary removal of residents from their home by economic, political, and social forces outside their control."

Background

Before discussing the findings in greater detail, it is important to describe the kinds of cases that LSI accepts, who its clients are, and how these clients heard of LSI.

LSI aids low-income clients in civil (as opposed to criminal) suits. The housing load includes such cases as eviction for non-payment of rent because of the tenant's inability to pay, a tenant's withholding rent because of code violations that the landlord has neglected to correct, and other tenant landlord problems. LSI serves a geographic area that includes Jamaica Plain, Hyde Park, Roslindale and parts of Roxbury and Dorchester. Eligible clients must have incomes which are less than 125% of the Federal Poverty Level.

Clients learn of the Institute in one of several ways. Because LSI is centrally located, clients may walk in after seeing the large blue sign outside. Many are referred by social workers, social service agencies such as the Massachusetts welfare department, and

organizations familiar with LSI. Moreover, Greater Boston Legal Services refers callers to its neighborhood offices. Finally, many hear about LSI by word-of-mouth. For example, if a Spanish-speaking resident learns that several staff members at LSI are fluent in Spanish, that word gets passed along to friends and neighbors who want to consult about their legal matters in a language they can better understand.

The following sections describe the kinds of displacement cases that come to LSI's attention. For purposes of clarification, an example of each type of case is also explained. Several of the cases were "classic" examples with which many are already familiar (sections 1 - 4). Others (sections 5 and 6) were somewhat less expected.

1. Unit Reduction

Displacement occurs when several apartment units are combined into one larger unit to accommodate a family desiring more spacious quarters. Such cases often stem from the gentrification process whereby middle income persons buy large homes in Jamaica Plain which have been subdivided over the years and restore them to their original size. One example involved the eviction of a tenant of 8 years from a unit on one side of a large Victorian home. The new owner intends to combine all 7 units on this side into a 3 story home for the family he some day expects to have. The other tenants will be forced to move when the actual conversion process begins.

2. Owner-Occupant Moves into a Tenant's Apartment

Another "classic" case occurs when the owner evicts a tenant in order

to move into that unit himself. As Jamaica Plain becomes a more desirable urban neighborhood, it is likely that more units currently occupied by tenants will become occupied by the new buyer. Moreover, absentee owners, finding that a rental property has become more desirable may move into units themselves or will rent to relatives. To date, LSI has handled several cases of this nature. LSI recently represented a long-term client on the top floor of a triple-decker. The new owner moved into that unit, displacing one tenant who was fortunate enough to move into subsidized housing.

3. Eviction in Order to Upgrade Structures

Landlords will ask tenants to vacate when extensive repairs must be made. One LSI case is currently pending in which a new owner has tried to evict a long-term tenant and his family in order to carry out improvements.

It is important to note that these three examples can be seen simply as the means to get a long-term but low-income tenant to move out. For example, a landlord may ask a tenant to vacate so his son can move into that unit. This may be one way to get rid of a current tenant while the landlord searches for someone willing and able to pay an increased rent. A shrewd landlord can also displace a rent-controlled tenant in this way and then apply for vacancy decontrol.

4. Rent Hikes

A final example of a clear-cut displacement case involves rent hikes which are so exorbitant that they force the low-income tenant to move

out. In one instance, a long-term tenant's rent doubled from \$165 to \$330 a month without utilities. The tenant (a family of 3) had invested \$600 of their own money in repairs before they were forced to locate cheaper housing. At times, despite severe rental increases, the tenant may remain and spend a higher proportion of his income on housing.

The LSI housing cases demonstrate, however, that most displacement cases are not the clear-cut examples described above.

Often-times, one must study a case very carefully, or look at the "broader picture" to determine whether or not it is displacement-related.

The LSI portfolio shows at least two types of cases where displacement occurs, but under conditions that make the process less obvious.

5. Landlord Either Fails to Renew a Lease or Gives a Tenant-at-Will a 30-day Notice to Quit.

In many cases, landlords responding in the above way have different future plans for the unit. For example, one section 8 tenant who is subsidized came to LSI because his lease in an apartment building was not renewed. Other tenants' leases had also not been renewed. Based on this and other findings, it became evident that the landlord was in the process of clearing out the entire building, perhaps to convert the units into condominiums.

6. Where the Tenant "Chooses" to Leave, but at the Owner's Provocation.

One tenant with 2 young children asked that her apartment be deleaded. The landlord told her to leave if she wasn't satisfied with the premises. Forced by law to delead, the landlord did all of the following during that process: (1) harrassed and insulted the tenant; (2) damaged her furniture; (3) entered her apartment at irregular hours without her permission; and (4) left her apartment in disarray. The tenant eventually moved to subsidized housing in Scituate.

Conclusions

The findings demonstrate that there are more displacement-related incidents than we first believed. First, many cases which do not appear at first blush to involve displacement may actually do so. Second, displacement, especially from 2 to 4 family homes, occurs on a scattered case-by-case basis which is often unlikely to capture public notice.

Although a study of the LSI housing cases points out that displacement is a fact of life for many low and moderate income tenants, it also indicates that it is difficult to point one's finger at the "guilty" displacers. On one hand, many landlords may raise their rents substantially because they are aware of the increased housing demand. On the other hand, both recent buyers and long-term owners are themselves victims of high interest mortgages, increased energy bills, and high operating expenses which may force rent increases.

Finally, it is important to indicate that while the LSI case load

does give a graphic set of examples of the complex ways in which tenants can be pushed out of their units or have their rents raised to exorbitant levels, the list is not so long as to indicate a wave ~~of displacement~~ is washing over Jamaica Plain. There are undoubtedly many cases like the ones described that go unreported as tenants leave their housing units in silence believing there are no means of recourse. However, the number of such cases, whether or not it is growing and the shape it is taking is impossible to document from an analysis of the LSI records.

PART II - The Micro-Neighborhoods - A Study of Sumner Hill, St. Rose,
and the Mozart Triangle areas.

.

Introduction: Research Methods

In developing a research method for studying displacement in Jamaica Plain, we faced the initial challenge of designing a methodology which could adequately explore three quite different micro-neighborhoods in Jamaica Plain. These micro-neighborhoods were: Sumner Hill, with a reputation for already having experienced massive displacement. Mozart Triangle, where it was suspected that an influx of middle income home buyers and speculators could soon cause a substantial wave of displacement in the Hispanic community; and the St. Rose area, where numerous complaints of displacement were reported by social service agencies serving Jamaica Plain. These micro-neighborhoods offered the potential for examining housing submarkets in varying stages of progress towards an "attractive stable neighborhood", with high housing prices beyond the reach of long-term residents.

We believe that real estate transactions are a central factor of change in any neighborhood. Thus, the core of our research involved monitoring residential real estate transactions for all three micro-neighborhoods for the years 1974 through 1979. The number of transactions was counted for this six year period, and data was compiled on the age, occupational characteristics, and occupant/absentee status of former homeowners versus buyers during this period. Furthermore, in an attempt to understand the impact of these transactions on the tenants of transacted buildings, we also gathered data on the number of tenants, plus their ages and occupational characteristics, one year before and one year after the transaction.

Age and occupational characteristics were cautiously treated as proxies for income level of new versus old home owners and tenants. In buildings affected by transactions, we were curious to know if the occupational characteristics and age of tenants one year after a sale showed substantial change. By gathering data in this fashion, displacement of elderly or single income households, as well as residents with low-paying occupations, could be quantified.

The kinds and sources of data collected are uniform across all three micro-neighborhoods, the time frame is 1974 through 1979. In cases where transactions occurred in 1979, our information on new home owners and changes in tenants in buildings involved in transactions was developed by conducting informal telephone and door to door interviews.

Other factors of change in housing submarkets are decontrol of formerly rent controlled apartments, demolition, abandonment, and the long term effects of disinvestment. We have documented these as well.

Each of these factors has a bearing on the overall supply of moderately priced housing in Jamaica Plain. They are also good indicators of change in a local housing market. For example, a rash of vacancy decontrols may suggest that market rents are well above controlled rents for an area, and that landlords have a strong incentive to effect decontrol of their property, by whatever means.

Setting a Norm:

We established a base line year against which to compare neighborhood change. The base year is 1974. The following five year's transactions,

decontrols, vacancies, demolitions, plus vacancy and owner occupancy rates are compared to the base year.

*we did some
get this info*

For the base year 1974, aggregate data was compiled on all residents in each micro-neighborhood for age and occupational characteristics, as well as for absolute population per micro-neighborhood. For 1979, aggregate data was also compiled to form basis of comparison.

** (hand-drawn star symbol)*

Information was organized to highlight major features of each micro-neighborhood's residents. In age cohorts of 10 years, we counted the numbers of people per micro-neighborhood. Ten occupation categories were established and counts in each of these categories were taken per micro-neighborhood both in 1974 and 1979, and in all transacted properties both for homeowners and for tenants. These categories are: at home, which usually signifies a woman at home with children; retired; student; laborer; clerical; trade, which includes carpenters, plumbers, etc.; nurse; teacher; artist; and professional, which includes higher paying white-collar occupations. Large populations of retired tenants and homeowners became evident, and heavy concentrations of young women at home with children. Major shifts in occupation from retired or laborer to trade and clerical or to banker and doctor were noted, signalling in some cases a turnover in homes recently owned by elderly, single income households and now passing into ownership by double income households of a variety of occupations.

Sources of Data:

Our sources of data were in most cases readily available and gathered

by public agencies. We relied for our transactions data on the Boston Assessor's Office records, and checked this list against the Transaction Directory compiled by private sources and tending to understate the number of transactions considerably. The Boston Police Records for the years 1974 through 1979 were consulted to determine the age and occupation of all residents in each micro-neighborhood, as well as the number of dwelling units in 1974 and 1979. The Transaction Directory was also helpful in establishing estimates of owner occupancy and vacancy rates both for 1974 and for 1979. The Boston Rent Control Board was consulted for data on the number of controlled units in each micro-neighborhood, and for the number of decontrols for the period 1974 through 1979. The Welfare Office was called to obtain rough estimates of individuals receiving public assistance in an area approximately matching our micro-neighborhood boundaries.

The interviews also complemented our data by providing insight into changes in lifestyle in a micro-neighborhood, or neighborhood residents' perceptions of change which are nonquantifiable. In some instances we obtained additional transaction information, or details of landlord-tenant relations which are in a state of flux. On foot, we could visually appreciate the kinds and conditions of structures in a micro-neighborhood, as well as features which might augur well for that neighborhood. For example, we could see if home maintenance was occurring along one street, or if a park was an incentive to new homebuyers, or if the proximity of public development plans to attractive but presently undermaintained housing stock suggested future demand for these houses, possibly leading to speculation or at least rising home prices and living costs. Together, all of

these different kinds of data filled in our picture of each micro-neighborhood, and enabled comparisons to be made between neighborhoods.

Summary

The data has been organized to point out the following: a norm for characteristics of micro-neighborhood residents in 1974 and in 1979; numerical levels of buying and selling per micro-neighborhood; the impact of residential transactions and other factors of change on former and present tenants; and strengths or weaknesses in the housing markets of the three micro-neighborhoods.

We hope to be able to identify issues specific to each micro-neighborhood. The causes of displacement, the nature of residents in respect to age and occupation, and the housing structure types differ for each micro-neighborhood, as the data amply reveals. Attention needs to be focused according to each micro-neighborhood's problems. We believe that the data we have collected and the following discussion make the task of understanding those problems an easier one.

Neighborhood I:

Sumner Hill

The Setting

Sumner Hill offers the kind of setting that is often subject to gentrification. Located on a hill, it is a small enclave architecturally defined by a large number of lofty, wooden, Victorian homes. (One interviewee noted that several residents wanted to have Sumner Hill designated as an historic center.) Although Sumner Hill abuts the Centre Street retail district and is served by mass transit, the neighborhood itself features wide, tree-lined streets with a distinctly suburban flavor.

Our study substantiates the generally held belief that Sumner Hill has experienced gentrification. Visually, one can observe this change by noting the number of homes that have fresh coats of paint, and well kept lawns and gardens. Demographically, one finds an increased number of professionals and a corresponding decrease in the presence of laborers and tradesmen.

Demographics

These large homes often have one or more rental units which help the owners defray their housing costs and supplement their incomes. New owner-occupants are almost all in their twenties and thirties. (Our data sources did not include occupants under eighteen, but interviews reveal increased numbers of children.) The increase in professional owner occupants was also substantial, going from five in 1974 before transactions to fifteen by 1979. There was a marked decrease in the

number of elderly housewives, retirees, bluecollar workers, and absentee owners in the transacted buildings.

The overall rental population has changed along similar lines. There are now fewer blue collar renters in the area as a whole. The total number of professionals increased from sixty-one to eighty-one while "at home" and "retired" decreased by 116 individuals. On an aggregate basis, the population declined in five years from six hundred forty-seven to five hundred thirty-six, a 17% drop. The sharpest decline was in the number of retired persons.

Property Transactions

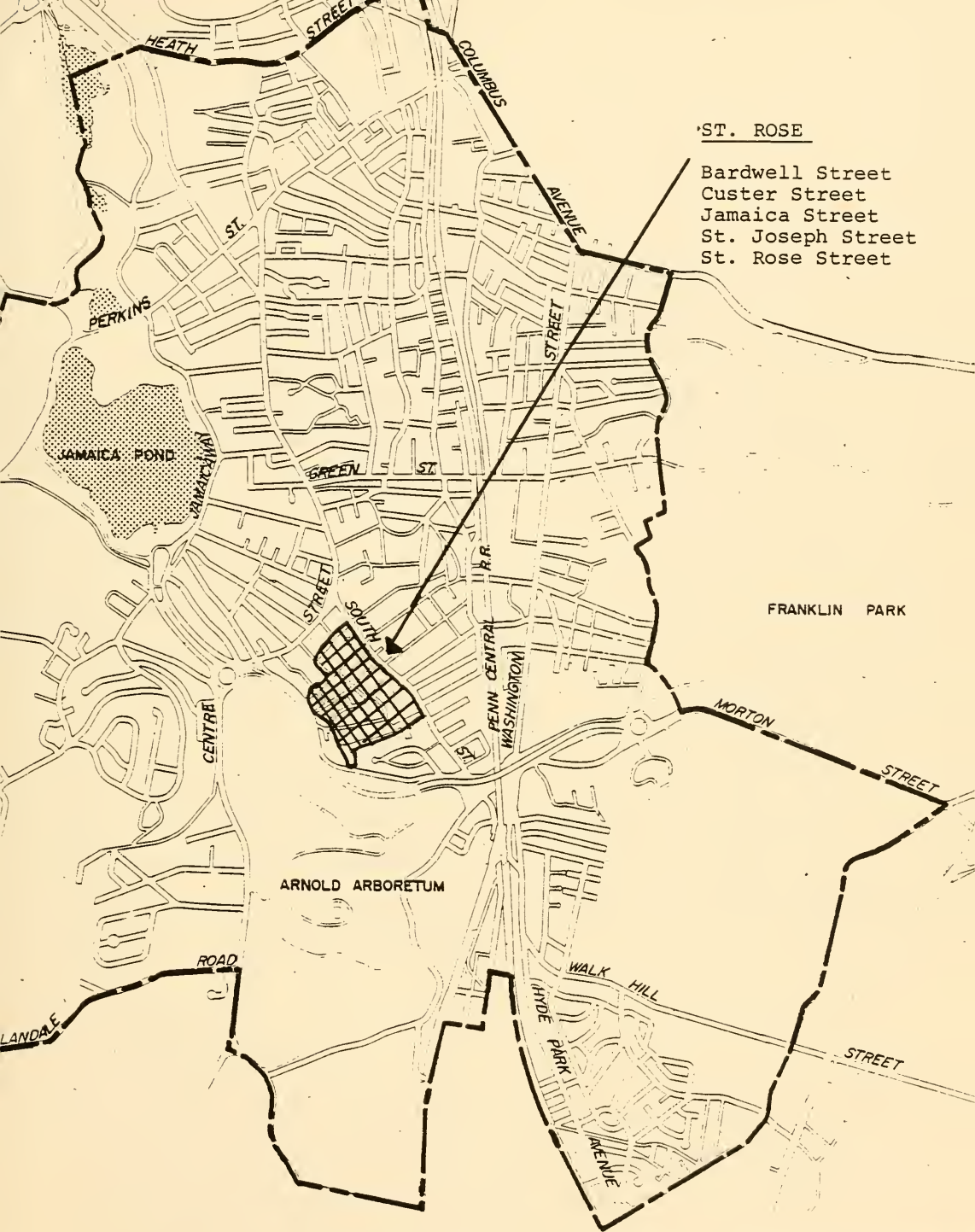
There have been forty-four transactions involving thirty-four properties in the last five years. The rate of new owner-occupancy is much higher in Sumner Hill than the other two neighborhoods. Twenty-five of the thirty-four transacted properties, or 74%, were purchased by owner occupants. The higher level of owner-occupancy indicates greater neighborhood stability in Sumner Hill than in the other neighborhoods. More buyers appear attracted to the area and intend on making it their long-term home.

Direct displacement typically occurred through new buyers increasing rents in owner-occupied structures after some improvements were made. Interviews also revealed that those remaining often felt threatened by increased costs. A young professional living in a large unit in a recently renovated Victorian home, expects his rent to increase from \$300 plus heat to \$400 plus heat. A woman with two children who had a recent rent increase from \$260 to \$285 fears "it will reach

\$400 next. Once a landlord realizes he can change anything, he will." Thus many not yet displaced fear they will be.

Conclusion

Since there are still 35 home owners over 60 in Sumner Hill, and 93 tenants over 60, the future will probably bring a steady trickle of homes on the market as elderly owners sell to young professional buyers, who will be forced to raise rents in order to cover their mortgage payments. The people able and willing to pay these new higher rents will be markedly different from the traditional Jamaica Plain residents. A critical issue will be where elderly tenants not able to afford the new rental structure will move.



ST. ROSE

Bardwell Street
Custer Street
Jamaica Street
St. Joseph Street
St. Rose Street

FRANKLIN PARK

ARNOLD ARBORETUM

JAMAICA PLAIN

Neighborhood II:

St. Rose

The Setting

The St. Rose Street study area consists of Bardwell, Custer, St. Joseph, Jamaica, and St. Rose Streets. The housing stock is of predominantly one, two and three family detached wooden structures. The major exceptions to this pattern are the two large, brick apartment buildings on Custer Street which provide 44 units of rental housing.

The major findings point to the following: Firstly, there is a large demand for rental housing by individuals who can and do pay substantially higher rents than were recently charged for rental units in this area. Second, rates of absentee ownership are higher than in the Sumner Hill area. There are indications that the new owners, especially on Custer Street, are charging much higher rents, based not only on the higher costs of home ownership, but also on the extremely large demand for rental housing in this area. Finally, this survey shows that most rental units, at least in the transacted homes, are no longer affordable for low and moderate income people.

Demographics

The St. Rose Street area supports a large young adult population. About 48% of the total population are between the ages of 18 and 39. The student renting population has grown since 1974 and the "at home", (i.e. elderly) category has declined by 100.

Occupational categories area-wide are similar to what they were 5 years ago. The largest occupational listing is "at home", which includes housewives and elderly women, although this number has decreased. Students are listed as the second highest category; their numbers have increased in the past 5 years. Other occupations represented in this population are laborers, tradesmen, teachers, and a slightly decreasing number of professionals.

Property Transaction

Of the three sub-neighborhoods studied, the St. Rose Street area experienced the largest number of housing turnovers. There were 69 transactions involving 57 properties.

The number of turnovers, which averages about 8% a year, is higher than the city's annual property turnover ratio of 5%. Because recently purchased properties are expensive to operate due to high interest mortgages, the rents in this area are likely to continue increasing given the higher-than-average number of turnovers.

The St. Rose Street area, which is characterized by a high proportion of detached residential units, remains unusually high in absentee ownerships. Over 50% of the residential structures are absentee-owned. There is some evidence of multiple ownership.

More important, there appears to be a trend for new owners to charge rents far above what any low/moderate income household (as we have defined the category) could afford. This is especially true for

absentee owners and owners of more than one home. The most extreme example of high rents is on Custer Street. Of the 14 properties purchased since 1975, 9 were purchased by absentee owners. In addition, 2 recent purchases were by owners who either owned other homes in the neighborhood or who were planning to purchase in the future. In many instances, the new rents were exceedingly high. For example, rent for a two-floor apartment in an old, but renovated three-story home is now \$600 per month. (If the household were to spend 25% of its gross annual income for rent, it would require an income of \$28,800.) Another apartment in a three family home rents for \$375 per month; the former rent was \$160. Most rents do not include heat.

Rents on streets neighboring Custer have increased, but most are not yet as steep. It is not uncommon for an apartment in a three family on St. Rose, for example, to have increased from \$175 to \$250. Given the heavy demand for such housing, there is every reason to believe that rents on nearby streets will catch up to those on Custer Street.

In the course of interviewing, we uncovered several cases of displacement. One new owner, for example, displaced residents in all units of the three-family home he purchased. One family, which had lived in the unit for more than 15 years, was willing to pay the increased rent. The landlord felt, however, that the tenant's children didn't respect his property and replaced the family with a young working couple. Another recent buyer (absentee) asked several of his elderly tenants to move out because his plans included large-scale renovation requiring vacant units. The vacated units have now been decontrolled, but the

repairs to date did not warrant that the tenants vacate. At least two other tenants moved out after their new landlord indicated that he would soon double the rent.

Renters

The St. Rose Street area has much to offer its tenants. It is a stone's throw from the Arnold Arboretum. The area is also on the Arborway line. Many students, nurses, and teachers can receive door-to-door transit service to their schools or jobs on Huntington Avenue and in Downtown Boston.

The renters seem to have much in common. Many are music students, graduate students, and upwardly mobile young people. Few, if any are long-term Jamaica Plain residents. They are in their twenties and early thirties. Of the 20 people randomly interviewed, none had children and 14 had been in the neighborhood for less than 1½ years.

Several of these people expressed some dissatisfaction with the way rents were increasing. Some stated they would move if the rents went beyond a certain point. But, to many, rents were more reasonable here than in other parts of Boston. While many hoped costs wouldn't increase, several stated they would pay an increase. For example, one person shared an apartment of \$360 per month not including heat. He had previously paid \$350 per month for a studio in Copley Square where he had to spend 30 minutes per day just finding a parking space. He currently has twice as much living space, convenient parking, and proximity to the Arboretum and Arborway line. In addition, his

rent is only half of what it was in downtown Boston.

In many cases, the higher rents are often pooled by 2 to 3 persons living in a unit. Yet these same apartments are now off limits to many low and moderate income renters, including older people on fixed incomes who once rented in the St. Rose Street area. A \$500, per month apartment, which is relatively inexpensive to 3 working people, is unaffordable to a low-income family with 2 children (a family income of \$24,000 per year would be required to keep rental costs below 25% of annual earnings).

As mentioned earlier, a large source of rental housing are the approximately 44 rental units at 25 and 29 Custer Street. These buildings further dramatize the continuing high demand for housing in the St. Rose Street area despite rising costs.

Over a period of 3 years, all the units in both buildings have been decontrolled. In 1977, a two bedroom unit was \$240 with heat. Last fall, the same unit rented for \$295 without heat. During the same time period, maintenance was sorely neglected, yet the demand for units remained.

Recently, these buildings were sold and tenants received notices from the new owner saying their status would soon be changed to "tenant at will". This means tenants will no longer hold year-long leases and can be evicted with 30 days notice.

Conclusion

Like Sumner Hill, this area will increasingly preclude housing opportunities for many low-income people and for families with only one wage earner. Unlike Sumner Hill, this area contains more absentee-owned properties (50% as compared to 40% in Sumner Hill) and is affected more by a large rental population. Finally, this sub-neighborhood has not changed greatly in terms of its residents' occupational characteristics. Although the "young professionals" have flocked into Sumner Hill, the St. Rose Street area has remained largely non-professional. However, student pooling allows high rentals to be charged but not for low/moderate income households. It is important to note that in transacted buildings there is a high incident of increase in professional owners even while the overall rental population has not experienced the professional increase.



MOZART TRIANGLE

Armstrong Street
Ashley Street
Chestnut Avenue
(#4-#74)
Lamartine Street
(#5-#109)
Mozart Street
Priesing Street

FRANKLIN PARK

JAMAICA PLAIN

Neighborhood III:

Mozart Triangle Area

The Setting

The Mozart Triangle micro-neighborhood includes six primarily residential Jamaica Plain streets: Armstrong, Ashley, Chestnut (Avenue), Lamartine, Mozart, and Priesing. The houses on these streets are two and three family structures, occasionally six family woodframe structures, interspersed with single family houses. The houses tightly pack these narrow streets, badly pitted by potholes and crowded with parked cars on both sides. Walking through the neighborhood one quickly notices children playing on the sidewalks, and teenagers hanging out on the corners. Most of the neighborhood stores display Spanish names and signs in the windows. Both the stores and the houses in the neighborhood show their age and low level of maintenance.

This area is the home for Jamaica Plain's Puerto Rican community, which according to a Boston University census numbers approximately 13,500. According to the Director of Oficina Hispana, Pablo Calderon, a local community education and job training center, the majority of residents are in the 18 to 30 age bracket, are from rural areas of Puerto Rico, and on average have a fifth grade level of education.

Mr. Calderon explained that the first stopover point for Puerto Ricans in the Boston area has traditionally been the South End. This was true for at least the past 6 years. Puerto Ricans new to Boston also moved to Roxbury because of displacement occurring in the South End. As conditions worsened in Roxbury, during what Mr. Calderon referred to as

the "arson period" especially around the Dudley Street area, people found low rents in Jamaica Plain.

The boundaries of the Spanish speaking neighborhood are at present roughly set by Egleston Square, Green Street out to Franklin Park, and Centre Street. The community includes Dominicans as well as some Cubans, although the Cubans are primarily shopowners who live elsewhere. A few Haitians also live in this part of Jamaica Plain.

A major housing market issue in this area is the extent to which the boundaries of the Spanish speaking community will expand or contract. On the one hand, one would expect them to expand to the south, past Green Street, because of the continued growth of the Boston Hispanic community, and because of the shortage of low-cost housing in Boston. As opportunities evaporate in the South End, a traditional stopover point, one can anticipate Jamaica Plain or Dorchester taking its place as a first, long term home. And yet real estate pressures in Jamaica Plain neighborhoods such as Sumner Hill suggest significant counterpressures which may begin to push the southern boundaries of the Mozart Triangle area back. New homebuyers may find the single family homes, in some cases identical to homes elsewhere in Jamaica Plain, attractive risks. Certainly the speculative influence of the incoming Southwest Corridor Project is being felt in the Mozart Triangle, as further discussion will document.

Property Transactions

The Mozart Triangle area has had a higher number of property

transactions during the past five years than has the Sumner Hill area, the neighborhood which has been viewed as undergoing the most market pressure from middle income buyers. Yet one should not therefore leap to the conclusion that the same kind of demand exists in the Mozart area. The fact that market rents in decontrolled rental units are in many cases no greater than the rents in controlled units indicates that there is not much upward pressure on the market.

In many ways the neighborhood exhibits the characteristics of an area in decline. Rents are low and property maintenance is poor. Only 30% of the residential owners live in their buildings, far below the Jamaica Plain average of over 50%. In addition the owner occupancy rate among more recent home buyers declined from 21 to 10 owner occupants among those homes purchased from 1974 through 1979. The majority of new owner occupants are under forty, suggesting that they are young families. Most of the tenants in buildings involved in transactions during this five year period are in the 19 to 39 age bracket. The households appear to be young and the new buyers are in traditional working class occupations. There are many "at home" individuals which signifies for the most part not the elderly residents of Sumner Hill but rather young mothers with children. Students have yet to move into the area in numbers. There are no new owner occupants listed as "student" and the number of students in the transacted buildings was reduced from 18 to 12 during the five year period of our study.

The property transactions occurred throughout the Mozart Triangle area, with the largest number of transactions occurring on Mozart Street, which showed 14 transactions. Chestnut Avenue had 10 transactions, Priesing 7, Armstrong 8. These transfers suggest a southern expansion of the Hispanic community's boundaries since the majority of transactions occurred along east-west running streets at the southern edge of the neighborhood. Mozart Street and Chestnut Avenue also display the highest number of double or tripled transactions involving the same property. On Mozart Street, there were 7 multiple transactions, while on Chestnut Avenue there were 8. Armstrong Street had 5, Priesing 4, and Ashley 1. With few exceptions, the multiple transaction activity in a small area suggests speculation.

The major factors which would make the southern border of the Hispanic community attractive are the new mass transit stops under construction, as well as the proximity of strong real estate markets nearby. And yet one must be cautious in labeling this speculative activity a symptom of a shrinking Hispanic community, because Spanish speaking families live beyond Green Street now, which is to say, south of Chestnut Street. Perhaps, speculators are anticipating market competition between middle class homebuyers and the expanding Spanish speaking population.

Conclusion

The Mozart Triangle area represents a low cost housing market, scarred by demolition from the former I-95 project, resulting in a loss of housing opportunities for low income individuals. The neighborhood,

predominantly Spanish speaking, has burgeoned in the under-30 age category, although the exact numbers are unavailable. Low cost housing, for renters and moderate income owner occupants is still available. However, very high levels of real estate transactions (by Jamaica Plain standards) involving primarily absentee owners augers a different future, as each new owner feels the need to increase rents to cover purchase costs. Certainly in an area where market rents and rent controlled rents are approximately the same, the potential for price increases for property and in rents themselves, the rising cost of living aside, is enormous when and if the market "takes off". While this process has clearly yet to occur the potential for it is great given the development activity and events in the area around the Mozart Triangle.

Summary of Charts

The following charts provide comparative data about the three micro-neighborhoods under study. They show not only the changes that have occurred in each neighborhood during our five year study period, but also the differences among the three.

Chart I: Occupation of Residents

This chart indicates that the number of "at home" and "retired" people have declined significantly in Sumner Hill while professionals have risen by 1/3. At the other extreme, "at home" has increased by 30% in the Mozart area, while professionals dropped from mere 13 people to an even less significant 10. This chart is perhaps the clearest indicator not only of the social distance between the two areas in 1974, but also the degree to which it had widened by 1979.

Chart II: Age of Adult Residents

These figures show a decline in elderly individuals in all three sub-neighborhoods. They also indicate the differences among the initial populations in each area. Thus, while 43% of Sumner Hill's adult population was over the age of 60 in 1974, the comparable figure in the Mozart area was 22%. Sumner Hill's drop from 43% to 31% elderly (over 60) is the most dramatic of the three and underlines the degree to which the elderly were replaced by young buyers.

Chart III: Residential Structure

The most dramatic drop in number of structures was in the Mozart area, a phenomenon which can be accounted for in part by the I-95 demolition. Chart IV (Total Residential Units) shows that the number of residential units in Sumner Hill and St. ROse has increased despite the drop-off in adult population and the existence of fewer structures. One possible explanation is that greater pressure on the housing market for units by young, single and small households has resulted in the subdivision of larger units. The fact that Chart V (Residential Unit Vacancies) shows a significant decline in all three would give some credance to this hypothesis.

Chart VI: Owner Occupied Structures

Sumner Hill has remained, despite its change in age structure, with the same number of owner occupied structures. The number of absentee-owned properties has increased in the other two neighborhoods since 1974. This is particularly the case in the Mozart area where resident ownerships declined by 42%. Not all of the change can be accounted for by the increase in absentee buyers. Therefore it means that owners who were resident owners in 1974 have since moved from the area, a further indication of continuing decling in the attractiveness of the neighborhood to homeowners.

Chart VII: Residential Transactions

This chart makes the point that while all the neighborhoods are above the 5% city average in rate of turnover, St. Rose with a 7.6% annual

turnover rate is the highest. Significantly despite the perception of Sumner Hill as the neighborhood that has experienced the most displacement, it has the lowest turnover rate of the three neighborhoods. The rate of change seems to have been confused with the character of change; Charts I and II show that the social and age characteristics of the buyers in Sumner Hill are most radically different from the people previously living there.

Chart VIII: New Owners

The focus on the transacted properties indicates in a somewhat different way that owner occupation has remained constant in Sumner Hill and St. Rose and decreased substantially in the Mozart Triangle area.

Chart IX: Apartment Units Rent Decontrolled

Not only the original number of controlled rental units in each neighborhood, but also the number and percentage of units that have been decontrolled are enumerated in Chart IX. While it is difficult to interpret the specific meaning of the different percentages of decontrol, one thought is that there has been less pressure to decontrol units in the Mozart area because of the low level of market rents. On the other hand, in St. Rose there is a high level of demand which puts a premium on getting units free of control; the high St. Rose percentage reflects the decontrol of units in the two large apartment houses on Custer Street.

Chart X

The Chart gives a detailed presentation of the age and occupation of the residents, owners and tenants of the properties that were sold during the period 1974 to 1979 in the three neighborhoods under study. The figures re-enforce in a detailed way the extent to which Sumner Hill has had its transacted buildings occupied by young professionals both as owners and renters. Elderly tenants have declined both as owners and renters. St. Rose has had six additional professionals purchase property, the largest increase in any of the occupation categories. The renter population in St. Rose has also increased at the younger end of the scale and declined at the more elderly. Basically the age and occupation characteristics of the transacted buildings re-enforce the image of the three neighborhoods presented by the more aggregate data.

Conclusion

At the start of our research, we assumed that the transaction of properties would mean a change in tenantry as well as owners, i.e. that the transfer of a property from an elderly working-class owner (with little or no mortgage) to a young professional owner (who required high-interest mortgage) meant not only a change in the characteristics of owner but also the tenant opulation which would shift from low or moderate income to middle income.

We assumed that in a gentrifying neighborhood, resident ownership would increase (certainly not decline if there were already a high level of resident homeownership). We also assumed that there would be some level of rehabilitation activity in the newly transacted buildings, which we hoped would be reflected in building permits taken out at city hall.

Carefully monitoring the "changing" characteristics of owners and tenants between 1974-1979 produce results consistant with our hypothesis in the Sumner Hill area where there is an observable change not only in the aggregate statistics for the area as a whole, but also particularly for the residential structures which changed hands. Young professionals replace elderly at home or retired blue collar owners and students replaced elderly at home and retired tenants. One cannot find a significant correlation between building permits and property transfers (the general sense is that many people who make improvements do not bother to get a building permit): but it is clear from driving around the area that much "fix-up" is going on.

In the other two neighborhoods the effort to document in detail the age and occupation characteristics of previous and new owners, as well as old and new tenants, had less conclusive results. There is no clear-cut pattern of gentrification or replacement of the old by the young, the blue collar by the white collar. As is seen when the areas are examined in detail, there is a mixed picture of transaction activity, in some of which the occupation characteristics of the new owners and renters do not look very different than those of the people who were in the building before the sale. Thus residential activity per se (and there has been a lot of it in the St. Rose area) is not necessarily the same as displacement of one residential group by another.

This is particularly true of the St. Rose area which has a mixed group of owners and tenants both before, during, and at the end of the five year study period. On the other hand the increasing rents in the St. Rose area have placed low and moderate income households under great pressure. One way they may be coping is through the increase in two worker households, a fact reflected in the decline (from 237 to 137) from 1974 to 1979 in the "at home category".

In summary, the detailed look at before and after characteristics of owners and renters in the three neighborhoods does not provide a consistent or simple model of neighborhood transition from one combination of owners and renters to another.

What does seem clear is that the emerging rent structure in two of the areas, Sumner Hill and St. Rose, precludes occupancy by households designated by the City's own criteria as low/moderate income families,

if one assumes that such households should be paying about 25% of their income for housing.

Finally the significant decline in the elderly population in all three neighborhoods raises the question as to what has happened to that group over sixty. Certainly some have passed away or voluntarily left the neighborhoods. But there are certainly others who have been forced out of the area because of the rise in rents. The future of the elderly population and their housing becomes of critical importance.

Chart I Occupation of Residents in 1974 and 1979

<u>Occupation Category</u>	<u>Sumner Hill</u>		<u>St. Rose</u>		<u>Mozart</u>	
	<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>
At Home	186	139	237	137	183	238
Retired	147	78	52	47	32	32
Student	89	96	92	117	43	51
Clerical	69	60	109	108	44	50
Laborer	35	32	45	58	67	42
Trade	51	38	42	43	35	29
Profession	61	81	108	96	13	10
Artist	3	3	4	5		

Chart II Age of Adult Residents

<u>Ages</u>	<u>Sumner Hill</u>		<u>St. Rose</u>		<u>Mozart</u>	
	<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>
70+	99	88	167	112	47	42
60-69	87	40	58	73	79	42
50-59	36	41	99	94	68	49
40-49	71	48	82	69	96	83
30-39	66	75	95	108	117	106
19-29	74	118	280	283	110	153

Chart III Residential Structures

<u>Sumner Hill</u>		<u>St. Rose</u>		<u>Mozart</u>	
<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>
155	145	182	180	202	151

Chart IV Total Residential Units

<u>Sumner Hill</u>		<u>St. Rose</u>		<u>Mozart</u>	
<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>
281	287	402	428	445	349

Chart V Residential Unit Vacancies

<u>Sumner Hill</u>		<u>St. Rose</u>		<u>Mozart</u>	
<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>	<u>1974</u>	<u>1979</u>
28	13	41	28	54	41

Chart VI Owner Occupied Structures

Sumner Hill

St. Rose

Mozart

Chart VII Residential Transactions 1974 - 1979

	<u>Structures</u>	<u>Buildings Sold</u>	<u>Total Transactions</u>	<u>Annual Rate of Turnover</u>
Sumner Hill	145	34	44	6%
St. Rose	180	57	69	7.6%
Mozart	151	42	55	6.8%

Chart VIII Resident and Absentee Owners Before and After Transactions 1974-1979

		<u>Resident Owner</u>	<u>Absentee Owner</u>
<u>Sumner Hill</u>	Before Transaction	24	11
	After Transaction	25	9
<u>St. Rose</u>	Before Transaction	30	29
	After Transaction	27	29
<u>Mozart</u>	Before Transaction	21	25
	After Transaction	10	35

Chart IX Apartment Units Rent Decontrolled Between 1974-1979

	<u>Total Controlled Units</u>	<u>Decontrolled</u>	<u>%Decontrolled</u>
<u>Sumner Hill</u>	124	32	26%
<u>St. Rose</u>	124	74	59%
<u>Mozart</u>	129	24	19%

Chart XA Sumner Hill: Transacted Properties

<u>Occupation Of Resident Owners</u>			<u>Occupation of Renters in All Transacted Property</u>	
<u>Before Transaction</u>	<u>After Transaction</u>		<u>Before Transaction</u>	<u>After Transaction</u>
Retired	3	0	11	9
At Home	9	1	10	4
Student	1	2	3	12
Laborer	0	2	5	1
Clerical	2	0	15	12
Trade	3	1	5	1
Professional	6	16*	6	12
Teacher	0	0	2	1
Nurse	1	0	2	7
Artist	1	1	2	2

<u>Age Cohort:</u>	<u>19-29</u>	<u>20-39</u>	<u>40-49</u>	<u>50-59</u>	<u>60-69</u>	<u>70-</u>
--------------------	--------------	--------------	--------------	--------------	--------------	------------

Resident Owners

Before Transaction	1	7	2	3	4	7
After Transaction	3	15	6	0	0	0

Renters

Before Transaction	16	10	8	7	9	14
After Transaction	29	15	2	7	5	7

*Information is not available on the occupation and age characteristics of all resident owners and tenants

*5 are double income professional households



Chart XB St. Rose: Transacted Properties

<u>Occupation of Resident Owners</u>			<u>Occupation of Renters in all Transaction Property</u>	
<u>Before Transaction</u>		<u>After Transaction</u>	<u>Before Transaction</u>	<u>After Transaction</u>
Retired	2	0	5	5
At Home	2	0	38	23
Student	0	1	4	7
Laborer	3	2	9	9
Clerical	9	3	31	21
Trade	6	3	18	8
Professional	2	8	23	12
Teacher	0	2	3	6
Nurse	0	0	13	4
Artist	0	1	3	5

<u>Age Cohort:</u>	<u>19-29</u>	<u>30-39</u>	<u>40-49</u>	<u>50-59</u>	<u>60-69</u>	<u>70-</u>
--------------------	--------------	--------------	--------------	--------------	--------------	------------

Resident Owners

Before Transaction	1	3	4	2	7	6
After Transaction	6	10	2	2	0	0

Renters

Before Transaction	99	23	12	21	17	17
After Transaction	76	26	16	6	4	14

*Information is not available on the occupation and age characteristics of all resident owners and tenants.



Chart XC Mozart Triangle: Transacted PropertiesOccupation of Resident OwnersOccupation of Renters in All Transacted
Property

<u>Before Transaction</u>		<u>After Transaction</u>		<u>Before Transaction</u>		<u>After Transaction</u>	
Retired	5	0		13		8	
At Home	5	2		81		70	
Student	0	0		18		12	
Laborer	7	5		52		32	
Clerical	5	3		18		12	
Trade	1	2		11		6	
Professional	1	2		2		2	
Teacher	0	0		0		1	
Nurse	0	0		0		0	
Artist	0	0		0		0	

<u>Age Cohort:</u>	<u>19-29</u>	<u>30-39</u>	<u>40-49</u>	<u>50-59</u>	<u>60-69</u>	<u>70-</u>
--------------------	--------------	--------------	--------------	--------------	--------------	------------

Resident Owners

<u>Before Transaction</u>	1	5	1	5	11	0
<u>After Transaction</u>	5	2	2	3		

Renters

<u>Before Transaction</u>	83	42	43	25	29	12
<u>After Transaction</u>	58	58	11	16	23	7

Note: Husband and Wife are counted separately.

- Information is not available on the occupation and age characteristics of all resident owners and tenants.

Part III: Evaluation of Programs

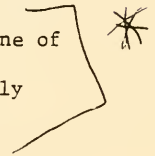
We looked at three public programs (one federal the other two city) to learn what they were doing, or could do, for low and moderate income renters and owners in Jamaica Plain. Two of these, the Federal Section 312 program and the city's Housing Improvement Program have had a long exposure to the community. The third, the proposed Weatherization Improvement Program, is on the books and about to be put into operation.



(1) Section 312

The Section 312 Rehabilitation Loan Program can provide a household with a loan of up to \$27,000 to make housing repairs. The interest rate is a low 3% and the maximum payback period is 20 years. The eligible participant must be an owner occupant of a 1 to 4 family home in an area targeted for by the city for 312 loans. The participant must also be deemed credit-worthy and able to pay back the loan.

Section 312 is funded through the Department of Housing and Urban Development (HUD), but the administrative costs are paid by the Community Development Block Grant (CDBG). Section 312 loans are targeted to areas where city officials believe more than moderate home repairs are needed to upgrade the area, and where there has been a low level of conventional lending. The selected neighborhoods must also be ones that officials believe can be improved or "turned around". The Egleston/Stonybrook section of Jamaica Plain is one of 8 Boston neighborhoods participating in Section 312, and the only target area in Jamaica Plain.



Program Procedure

To obtain a loan under the 312 program, the owner occupant must comply with HUD's strict and complicated guidelines. The city estimates that it takes from four to six months to obtain the loan. Several participants, however, have stated that it takes even longer.



Analysis

At first glance, a program offering a 3% interest loan, especially during times of double-digit inflation, would probably be particularly beneficial to low income people. However, there have been very few Section 312 participants in Jamaica Plain. The 1977 caseload of 11 participants dropped to 3 in 1978 and to 2 the following year. The caseload was substantially smaller in Jamaica Plain than in other sections of Boston where the program has also been in operation for several years.

Several reasons may account for Jamaica Plain's low participation rate. Sections of the Eggleston/Stonybrook neighborhood have significant numbers of elderly owner occupants. The aged, many on fixed income, are often not interested in investing additional money in home repairs. Language barriers may also preclude Spanish speaking owner occupants from participating in a program as complex as Section 312. Moreover, program outreach (handled by Jamaica Plain's Housing Improvement Program office) may not be as strong as the outreach in other city neighborhoods.

Whatever the factors are that prevent widespread participation in Jamaica Plain, this program is not widely used by low income people in general. (See Chart I)

This data may indicate that low income people are still too poor to participate, or that they are denied loans because of the strict credit ratings demanded by HUD. In addition, discussions with several

Jamaica Plain residents and former participants revealed other problems.

The complexities, stringent requirements, and red tape accompanying the application process are greeted with suspicion by many low income people. They are reluctant to fill out forms which demand so much personal information. Some of the rigid requirements, such as the bidding process for repairwork, may discourage people from applying. Perhaps, as one interviewee stated, they do not know how to manipulate the program to their own advantage the way higher income participants can.

A final factor which may discourage participation by low income people is the requirement that many existing code violations be addressed in addition to other repairs. Programs of this nature often cost the low income owner occupant far more money than he intends to spend. For example, a person wishing to borrow \$2,000 to modernize a kitchen may be forced to borrow an additional \$2,500 to mend code violations in addition to his other work.



CHART I

REHABILITATION LOAN PROGRAM

312 LOANS

as of

September 30, 1979

City - Wide Data

INCOME	NUMBER OF CASES	% OF CASES
\$ 0 - 4,999	0	0.
5,000 - 8,999	17	8.0%
9,000 - 11,999	33	15.5%
12,000 - 15,999	59	27.7%
16,000 - 19,999	39	18.3%
20,000 +	65	30.5%
TOTALS	213	100.0%

Source: Section 312 Rehabilitation Loan Program

Status Report

9/30/79

City of Boston



(2) Housing Improvement Program

The Housing Improvement Program (HIP), designed and administered by the City and funded through CDBG offers a cash incentive (in rebate form) to owner occupants of 1 to 6 family homes upon completion of housing repairs. Almost any repair or improvement made to the existing structure (there are exceptions, like adding aluminum siding, for example) is permitted. Although this program is soon to be replaced by the Weatherization Improvement Program (WIP), it is a necessary one to study for several reasons: first, it is one vehicle which has permitted low and moderate income people to upgrade homes. Second, the program has had far reaching results -- rebates have reached the owner occupants of 30% of Boston's 1 - 6 family homes. Finally, HIP is important to analyze, because its successor, WIP, which will offer rebates on energy-saving home improvements, is modelled closely after it. By looking at what HIP did or did not accomplish, one might be able to make WIP more effective in certain areas.

Program Description

20% or 40% rebates (based on income and household size) are available to all owner occupants of one to six family homes and five to ten-room licensed lodging houses. A 50% rebate is available to low-income households when one of the owner occupants is at least 65 years old, and when this person has been an owner occupant for at least 2 years prior to case institution (see chart II for income eligibility and amount of rebates).

It is important to note that various criteria have changed over HIP's five year history. For example, in the program's third year (1977), the 50% rebate was instituted for the elderly participants. So many people took advantage of the program, however, that one year later the 50% rebate was extended only to low income elderly owner occupants. The 40% rebate for low income non-elderly owner occupants was added in the 4th year of this program. For the first 3 years, any owner occupant with an adjusted income of less than \$16,000 was eligible provided he signed a statement attesting to his income.

The following example states how the program works:

Someone eligible for a 50% rebate, will receive half of the cost of repairs -- up to a set maximum cost, depending on unit size. If that person makes up to \$11,000 worth of repairs on his 3 family home, he will receive half the amount of the cost of his repairs. He can spend as much as he wants to on repairs. However, the rebate will be based on the repair ceiling defined by the City.

The homeowner must see a HIP rehab specialist for an estimate on the repairs prior to beginning work. Often, however, the homeowner finds out about the program while his repair work is in progress (he may learn of the program through his contractor); if the work is not completed before he sees a rehab specialist, he can still obtain the rebate.

The proposed repairs must include any work needed to bring the home up to code. Moreover, the owner must now agree to install a smoke alarm system, if he does not already have an adequate system. Upon completion, the homeowner gets a rebate check from the City of Boston





Three sections of the City are ineligible for this rebate money: the Back Bay and Beacon Hill, Chinatown. Otherwise, HIP money is available city-wide. These areas are excluded because of the low level of owner occupancy or high incomes of residents.

Analysis

HIP was designed to encourage moderate housing repairs before major repair work or even demolition became necessary. It was not until the program's fourth year that the program became targeted to low income owner occupants, although the program certainly included anyone whose financial means allowed them to participate. In fact, this program was installed just after the introduction of court ordered busing, when "white flight" threatened the City and when neighborhood confidence was at a low ebb.

HIP involved a substantial portion of CD funds (ranging from 16% to 27.5% of the block grant allocation per year). Statistically, the program was successful and far reaching. In 5 years, HIP participants received over \$20 million in rebate funds, and 30% of the City's 1-6 family homes were upgraded under this program.

It is almost impossible to estimate how many low income people participated in HIP until its fourth year. It is likely that low income elderly people were reached in the program's third year when all elderly owner occupants were eligible for the 50% rebate. There is every reason to believe, however, that most other participants were closer to moderate income.



First, a 40% rebate is not enough of an incentive for the low income person. Second, many low income people do not have the up-front capital to make the repairs which are required before one can receive a rebate. On a case by case basis, some low income people without the up-front capital were aided by the HIP office's financial specialist in obtaining bank loans in order to make the repairs. This help is necessary because the bank may feel apprehensive about lending to low income people. Yet if the bank can be persuaded by the specialist that in fact the low income person needs only \$3,000 because a 40% rebate will be promptly paid to the bank after completion of the repairs, the loan is more likely to be approved.

Thus, some low income persons who ordinarily would not have received bank loans did with the help of an aggressive neighborhood financial specialist. This unpublicized program, in which the rebate money is placed in a "rebate escrow account," has been most successful in Roxbury. Nonetheless, low income persons without the necessary capital to make repairs generally do not participate in the program and are largely unaware of its existence. Furthermore, the "loan plus HIP" program still requires the borrower to pay back the remainder of the loan with interest, repayment which is still quite expensive.

Lastly, like Section 312, HIP is a code-related program and therefore costly. The homeowner is forced to bring the home up to code before he can begin the repairs he would rather make. Additional indications of the non-low-income nature of HIP are: 1) HIP generally involves minor repairs (painting, roofs, gutters, exterior wall and

and window work) rather than the more serious repairs (heating, plumbing, electrical, serious code violations removal of lead-based paint) which characterize the houses of more low-income homeowners in more severely deteriorated parts of the city. 2) 89% of HIP participants financed their HIP work through savings, indicating that they are not very poor without their own resources. 3) The poorest parts of the city have consistently had the lowest overall rates of participation: less than 10% of eligible structures in Roxbury, Franklin Field, and the South End. (source: recent BRA research, and interviews with HIP staffers.)

* Data provided by the City on HIP participation in our 3 study areas indicates that the Mozart area had the least number of HIP participants - 6 owner occupants. Sumner Hill, on the other hand, had 14 participants and the St. Rose area had 13, (We do not have data for year 1 of the program.) This seems to strengthen the argument that low income participation makes up a fairly small percent of HIP.

(3) Weatherization Improvement Program

The Weatherization Improvement Program (WIP) will replace HIP this summer. Basically, the program will provide 20% and 40% rebates to owner occupants of one to six family homes who make weatherization improvements. Eligible repairs are divided into two categories, mandatory and optional. Mandatory repairs must be completed for all units as needed. They are: storm windows (exterior and improved interior windows), weatherstripping and caulking, attic insulation, and smoke detectors. The city is still deciding on whether to require attic insulation in structures (e.g. triple deckers) where there is no easy attic access, but they are leaning towards requiring it. In any event, adding attic insulation to any home other than a single family where the owner is moderate income will command a 40% rebate.

This program, like its predecessor HIP, has been designed and will be administered by the City and funded through the Community Development Block Grant. The program will function in almost the same way as HIP. Even the dollar amounts on which the rebates are calculated will remain the same.

At least two eligibility requirements are different than last year's HIP regulations. First, the 50% rebate for low income elderly owner occupants will be discontinued. Instead, all low income participants will be eligible for the 40% rebate that non elderly low income residents received under the HIP program. Second, income eligibility guidelines have been revised slightly upwards. This

for a 20% rebate to receive a 40% rebate.

WIP, however, obviously has an entirely different substantive focus than did HIP. Moreover, the different focus and some new elements of this program may make WIP a beneficial program for a wider segment of Boston residents. Firstly, unlike HIP which implicitly responded to the "white flight" issue and lack of neighborhood confidence by providing a monetary incentive to invest in one's property, WIP responds to the energy crisis. The program allows the participant to save money in two instances. The costs of weatherization are less because of the rebate; in addition the household will save money because of reduced future energy costs. Secondly and most importantly, the program will try to steer more repairs toward tenants. Moderate income owner occupants (eligible for the 20% rebate), are given a larger rebate (40%) for weatherizing their tenants' apartments. Even if the owner does not weatherize his tenant's apartment extensively, the mandatory requirements for participating (e.g. roof insulation, provision of storm windows in all units, etc.) will result in at least some energy savings in all units.

Thirdly, participation in WIP does not require the expensive condition that a home be brought up to code. As discussed earlier, code related programs prevent many low income owners from participating. Now, only when there is a flagrant code violation (to be determined at the rebate official's discretion) must this issue be addressed. For example, if there is a gaping hole in the roof which will defeat the purpose of insulating it, a WIP official would demand that it

be repaired.

Thus, some innovative aspects of WIP make it beneficial to Jamaica Plain's low income population. In theory, the program should be less expensive: low income owner occupants will not be required to repair all code violations in order to participate. City officials also estimate that the actual costs of weatherization are lower than the kind of general upgrading done under HIP. In addition, tenants (who represent a large number of Boston's low income population) are more likely to directly benefit if their landlord participates in WIP.

Even with these changes, however, it is still questionable whether low income participation will be widespread. Outreach attempts in low income areas should describe the kinds of financing mechanisms available which could enable low income owners to participate. Differences between WIP and HIP should be explained. For example, it should be stressed that the focus of the program is on energy conservation and not code violations. Publicity about WIP should also be aimed at tenants, who in turn, might convince their landlords to participate.

City officials will closely monitor this program to see how it can be made more effective. Since more moderate income people benefitted in HIP, it will be important to study the effects of WIP on low income people. Thus any changes made to perfect this program might be aimed at increasing energy savings benefits to Boston's low income population.

Part IV: Recommendations for Further Action

The following recommendations do not flow specifically from the research we have undertaken. They constitute a list of items which seem reasonable and useful for the Coalition to pursue in light of the goals of maintaining low and moderate income households and housing units in Jamaica Plain. What is clear from our study is that the pressure on much of the housing stock in the neighborhood is strong and shows every indication of getting stronger. The task of continuing to provide options for people of modest income will not be an easy one to carry out. Hopefully the elements which we have stressed are useful means towards at least a part of the end of preserving those options.

We have observed that the Coalition is divided regarding its next steps. Some members want more research; others have appealed for immediate, direct action; certain participants claim that the Coalition must solve problems of membership and legitimacy before it proceeds on to higher levels of political action. With this in mind, it seems impractical to recommend a comprehensive, anti-displacement strategy for the Coalition to follow -- even if our team had completed enough research to recommend such a strategy (which it had not).

At the same time, it would be dangerous for the Coalition to avoid all forms of political lobbying and constrain itself strictly to research and matters of internal procedure. Our research has concluded that displacement (of several kinds) is happening in Jamaica Plain. Presumably, the common denominator among groups in



the Coalition is that they want such displacement stands on certain issues -- and some tactics for dealing with issues -- even if they cannot at this time develop a coherent political strategy.

The following recommendations will allow the Coalition research, to "feel its way" around the issues, and to develop an idea of where it should stand on particular subjects. At the same time, the recommendations give the Coalition a framework to develop stands on particularly immediate issues with

I. BANK LENDING PATTERNS

Bank lending has an obvious impact on investment in a neighborhood. Residents of red-lined communities have trouble receiving home improvement loans, and money for commercial development. The link between lending practices and displacement is all too clear. If a bank is willing to grant a mortgage to professionals or two income families from outside a neighborhood, but not to low or moderate-income working-class families moving from one house to another in the same community, there may be a change in the neighborhood's social character. A bank is willing to lend only to a certain part of a neighborhood (for example, Sumner Hill but not the Mozart Triangle), the housing market will be unnaturally focused on Sumner Hill, potentially leading to displacement. An inability of low-income families to receive mortgage or home improvement financing for their rented structures could lead to condominium conversion.

Perhaps most importantly, a refusal by banks to lend in particular areas can result in physical deterioration, vandalism, and abandonment of the housing stock -- characteristics of the kind of displacement visible in the Mozart Triangle.

These hypotheses have not been proven in Jamaica Plain. However, they point out that the Coalition ought to get a good idea of how banks lend money in their neighborhood. The Community Reinvestment Act (CRA) and the Home Mortgage Disclosure Act (HMDA) have provided citizens with a chance to review bank lending patterns in their neighborhoods. The records of banks lending in Jamaica Plain (or failing to do so) can be examined at the Office of the Commissioner of Banks, 100 Cambridge St., in Boston. Staff is available to assist citizens in reviewing the records and interpreting the data.

Another resource available to Jamaica Plain is the Massachusetts Urban Reinvestment Advisory Group, Inc., which uses CRA and HMDA records to review the commitment of banks to their communities throughout Boston. In certain cases, MURAG has successfully initiated administrative challenges to banks (such as the Provident Institution for Savings) which had effectively red-lined certain Boston neighborhoods.

MURAG is located at 3710 Washington St., in Jamaica Plain. The Chairman is Hugh MacCormack, a resident of Jamaica Plain; the Executive Director is James Carras. Although the group is more concerned about reinvestment than displacement, the Coalition should explore ways in which it can work with MURAG on certain

issues.

Partly as a result of MURAG pressure; certain banks have been increasing their commitment to Jamaica Plain and other neighborhoods. For example, the Boston Five Cents Savings Bank recently opened a "loan center" at 753 Centre St. The loan center does not handle deposits or withdrawals; it only handles mortgage applications and closings for residents, eliminating the normal time and expense involved in going downtown for these services. Although MURAG is pleased with the opening of the center, it complains that the office is merely clerical, with inadequate efforts to provide financial counseling and assess the credit needs of the neighborhood. It might be wise for the Coalition to become familiar with the operations of the loan center and to monitor the mortgage services it provides.


II. PUBLIC HOUSING

The Bromley Heath and South Street projects are vital housing resources in Jamaica Plain. South Street has a fairly good reputation, few vacancies, and forms a good living environment with only slight effect on the property values of surrounding houses. Bromley Heath, on the other hand, is plagued by vacancies, vandalism, crime, and a bad reputation which depresses surrounding property values.

Maintaining the environment of South Street and improving Bromley Heath should be top priorities for the Jamaica Plain community and the Boston Housing Authority (BHA). These steps could increase the

availability of quality housing units in Jamaica Plain, reduce pressures on the housing market, stabilize property values near the two projects, improve living conditions for those in public housing, and increase the attractiveness of surrounding streets. To the degree that comfortable, pleasant public housing units are available in Jamaica Plain, an alternative will be provided to many people who otherwise might be displaced out of the community.

The BHA is currently under the supervision of a new Receiver, Lewis H. Spence. The Coalition should contact his administration to inquire about their plans for public housing in Jamaica Plain. What will be done about crime and vacancies? How can Bromley Heath be made liveable again? Can a comprehensive plan be developed and financed for Bromley Heath, as is underway at Columbia Point? Once such policies are determined, the Coalition should work with the BHA to develop these housing resources and prevent the loss of future units.



III. NEIGHBORHOOD STABILIZATION ACT

During the past two legislative sessions, efforts have been made to pass an omnibus anti-displacement law known as the Neighborhood Stabilization Act. The bill failed in both sessions. In 1980, however, it achieved the support of the Senate Ways and Means Committee; sponsors of the bill believe next year's major challenge will be to achieve the backing of House Ways and Means, which will involve substantially more grass-roots lobbying than the bill has received during the past two sessions.

The Act defines "direct displacement" as "the inability of a low or moderate income household to remain in his or her dwelling unit" due to causes such as necessary evacuation during rehabilitation, clearance for commercial or industrial development, and conversion of rental units to owner-occupancy. "Indirect displacement" can result from post-rehabilitation rent hikes, evictions due to speculation, condominium conversion, and various other causes, according to the legislation.

The Act contains provisions relating to the preparation of Neighborhood Impact Statements for projects which may cause displacement, and also requires the creation of Neighborhood Stabilization Plans to determine "remedies for significant displacement".

A Community Assistance Fund would also be created "to promote anti-displacement, community-based development projects".

Our research team neither endorses nor rejects the provisions of this Act; it may or may not be the best effort the Commonwealth could make to combat displacement. However, the Coalition should certainly become familiar with the legislation (a summary of which is appended hereto), and its advocates. For further information contact Michael Kane of Massachusetts Community Action (formerly Low Income Planning Aid) in Boston.

In the next legislative session, the backers of the Neighborhood Stabilization Act will need lobbying support from citizen groups if their legislation is to pass. This will give groups like the Coalition a bargaining chip in formulating the details of the bill which will



be submitted next year. The Coalition should not miss this opportunity to influence policy-making and become more prominent in the ranks of those opposing displacement in Massachusetts communities.

IV. CHANGES IN CITY ADMINISTRATION AND CDBG FUNDING

Mayor Kevin White is currently reorganizing the neighborhood services and development wing of his administration. The Office of Program Development, which formerly supervised allocation of Community Development Block Grant funds (CDBG), is being phased out, as is the Office of Neighborhood Services and Programs, which had responsibility for Boston's Little City Halls. A new "super agency" is being created to deal with community development and housing throughout the city's neighborhoods. Decisions are now being made regarding the powers and staffing of this agency, and the Coalition should follow these developments closely.

Along with the reorganization, the mayor has recommended major changes in the way CDBG monies are spent. The major recommended changes appear to be: elimination of the usual fifteen percent allotment to public housing, cutbacks in the funding of social service programs, and replacement of the popular Housing Improvement Program with a new program aimed at weatherization of owner-occupied structures.

Some of these suggestions have been vetoed by the City Council, and others may be challenged by HUD or the Massachusetts Commission Against Discrimination. In all likelihood, however, most of the

major's recommendations will be implemented. Despite the unwillingness of certain Coalition members to confront City Hall on sensitive issues, the Coalition should at very least closely monitor these recommended changes -- particularly the new weatherization program.

Opponents of the Housing Improvement Program charged that it failed to help low-income residents and renters, thereby adding to the pressures which cause displacement. Although the link with displacement is tenuous, it is clear that certain provisions of the program (such as the need of participants to pay the full bill before receiving a rebate) kept it out of the reach of low-income families. The new weatherization program could exhibit similar problems; or, if properly designed, it could assist low-income and elderly renters and homeowners who are likely to be victims of displacement.

V. ANTI-SPECULATOR TAX AND OTHER ANTI-DISPLACEMENT MEASURES

Various cities throughout the country are just beginning to test a series of public policies to slow down displacement or provide displacees with compensation or alternative housing. One step which may be received favorably by City Hall is the anti-speculator tax, which levies a tax penalty for the rapid "flipping" of properties.

The National Association of Neighborhoods has published a summary of such devices (appended to this report) which should be reviewed by the Coalition. We suggest that the Coalition isolate a few techniques which seem promising for Jamaica Plain, research them

carefully, come up with implementation recommendations, and then lobby with city and state officials for passage of the necessary ordinances. This will not be a quick or easy process of course; but it must begin now.

Some of the techniques which should be considered concern condominium conversions; ordinances requiring adequate notice, first right of purchase, and compensation to evicted tenants should be considered carefully. Recently-passed condominium regulations in Brookline and Lynn should be reviewed.

Other mechanisms are designed to be "grafted onto" existing programs, such as historic preservation, Section 8 and 312 subsidies, and urban homesteading. Still other techniques would involve modifications of taxing and zoning policies. All are worth the Coalition's attention. Only when citizen groups begin lobbying for specific reforms will city and state officials take notice.

VI. SURVEILLANCE OF KEY JAMAICA PLAIN HOUSING RESOURCES

In our research, we identified a series of apartment buildings which have already gentrified, which are in the process of gentrifying, or which seem likely "to go soon".

We recommend that the Coalition develop a list of such structures (mainly large complexes of more than six units), profile their tenantry in more detail, keep a close eye on changes in ownership, tenant changes, rent levels, and rehabilitation work.

The purpose of this supervision should be to work with landlords and tenants to prevent unit reductions, condo-conversions, and major rental hikes. The Coalition should consider various ways of accomplishing this end, including conseling to help the landlord achieve subsidies to keep down the cost of rehabilitation, lobbying to prevent the structures from being sold to absentee landlords (if a sale must take place), and advising tenants of their rights in their relationship with the landlord.

SUMMARY

Neighborhood Stabilization Act -- H-2161

Section 1. Statement of Displacement Problem and Purpose of the Act

This introductory section declares that major state and city investments frequently have an urban displacement effect on residents and businesses in impacted neighborhoods, either directly (i.e., land takings) or indirectly (rapidly escalating property values and/or rehab or business costs) beyond the ability of existing residents to pay. The purpose of this bill is to curb such displacement by distributing the costs and benefits of the investment more evenly across the city and ensuring that low and moderate income residents in the area benefit from the project.

Section 2. Definition of Displacement as a Negative Environmental Impact

This section amends the state Environmental Policy Act to include , significant displacement of low and moderate residents as "damage to the environment".

Section 3. Definitions

This section defines key terms, including "indirect displacement", "Neighborhood Impact Areas" and "significant displacement".

"Significant displacement" is presumed to exist where either there is direct displacement of 10 or more households, or where the total amount of public and private investment is \$10 million or more for cities over 100,000 in population, \$5 million in cities between 50-100,000, and \$1 million in cities and towns with fewer than 50,000 residents.

"Direct displacement " is defined as occurring when land or housing is demolished or taken away, and "indirect displacement" when people are unable to pay for rising housing costs due to investment in the area.

A "Neighborhood Impact Area" is a low/moderate income neighborhood next to a proposed major development project where significant displacement is expected to occur.

Major state "action" is the same as defined in the Mass. Environmental Policy Act, and includes direct investment (highways, MBTA extensions) by state agencies and authorities, and actions leading to major private investment (such as hospital licensing, zoning, urban renewal "121A" actions, etc.).

Section 4. Neighborhood Impact Statements (NIA)

This section amends the Environmental Policy Act to require that a state Environmental Impact Statement shall also describe the long and short term displacement effects of a proposed project. The report must include a plan to relocate displaced people and other actions (defined in section 7 below) to offset the long-term effects of investment and displacement.

This section also requires evaluation of the cumulative impact of a series of individual projects in the same Neighborhood Impact Area, but allows DCA to submit only one EIS for the neighborhood to deal with multiple proposed projects



Section 5. Delegation of Neighborhood Impact Statements and Actions to the Secretary of the Executive Office of Communities Development (EOCD)

This section delegates to the Secretary of EOCD responsibility for the compiling that portion of the EIS dealing with displacement (the Neighborhood Impact Statement) as well as the Neighborhood Stabilization Plan (see section 9 below) which spells out mandatory anti-displacement measures.

Sections 6 & 7. Prevention of Exemptions from Filing Neighborhood Impact Statements

These sections require that a state Environmental Impact Statement, including an assessment of Neighborhood Impacts, be compiled where significant displacement is expected to occur, preventing exemptions from the state process by the Secretary of Environmental Affairs or substitution of a federal EIS in these instances.

Section 8. Re-titling of the Previous Chapters and Sections

This section retitles the sections of the law as they are affected by this

Section 9. Neighborhood Stabilization Plan

In cases where substantial displacement is likely to occur from major state action, this section requires that the EIS include a Neighborhood Stabilization Plan which defines a variety of actions state agencies would be required to take to offset displacement and ensure benefits to low and moderate income people in the Neighborhood Impact Area. These actions include:

- 1) priority in allocating housing subsidies and sites for new or rehabbed housing to NIAs by Mass. Housing Finance Agency (MHFA) and the state Department of Community Affairs (DCA),
- 2) priority in naming target areas by the Mass. Home Mortgage Finance Agency (MHMFA), with restrictions on the income levels of MHMFA loans and rent levels that can be charged to tenants of loan recipients,
- 3) priority in tenant selection policies in state regulated housing projects for displaced from NIAs, and
- 4) priority in assistance from Mass. Community Development Finance Corporation (CEFC), Community Economic Development Corporation (CEDAC) to CDCs in developing anti-displacement projects in NIAs.

Jobs and Training for Lower Income People from the Proposed Development

(These sections (except on union wage scales) modelled after the recommendations of the Economic Development Task Force for the proposed Copley Place project in Boston, convened by Ralph Jordan, then head the State Employment and Training Council.)

- 5) Priority in providing CETA funds through prime sponsors to NIAs
- 6) Requirement that any proposed development comply with the state Affirmative Actions set-aside requirements for construction job and contracts for minorities and women

BOSTON PUBLIC LIBRARY



3 9999 06352 288 0

